

Pānui Whāinga  
Statement of Intent 2010-2013

MĀ TE TĪORI  
O TE TUI TĀTOU I  
WHAKAARO Ō NEHE RĀ

MĀ  
TE  
TĪORI  
O TE TUI  
TĀTOU I WHAKAARO  
Ō NEHE  
RĀ

MĀORI  
TELEVISION

TE REO

## Contents

---

1	<b>Acceptance of the Statement of Intent</b>
2	<b>Chairman's Overview</b>
7	<b>Part One: Purpose and Scope</b>
7	<b>1.0 Purpose and Scope</b>
7	1.1 About Māori Television
8	1.2 Contribution to Māori Language Strategy
9	1.3 Māori Broadcasting and e-Media Outcomes Framework
9	1.4 Governance and Management
11	<b>2.0 Operating Environment</b>
11	2.1 Forces and Trends
13	<b>3.0 Strategy 2010-2013</b>
13	3.1 Mission Statement
13	3.2 Major Outcomes
13	3.3 Intermediate Outcomes
16	3.4 Key Outputs
17	3.5 Key Strategic Initiatives 2010-2011
17	3.6 Prime Time
18	3.7 Target Audience
18	<b>4.0 Outcomes Framework and Key Performance Indicators</b>
22	<b>Part Two: Forecast Financial Statements</b>
22	<b>5.0 Statement of Forecast Service Performance</b>
22	5.1 Non-Departmental Output Class
23	5.2 Funding
24	5.3 Statement of Projected Financial Position
25	5.4 Statement of Projected Comprehensive Income
26	5.5 Statement of Projected Cash Flows
27	5.6 Statement of Accounting Policies

### Cover Illustration:

Mā te tioriori o te tui tātou i whakaaro o nehe rā

*It is the sweet melody of the tui that reminds us of the past*

## Acceptance of the Statement of Intent 2010-2013

This Statement of Intent has been prepared in accordance with the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003, covering the period from 1 July 2010 to 30 June 2013.

Pursuant to relevant sections of the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003, the responsible Ministers and the Chairman of Te Pūtahi Paoho have accepted this Statement of Intent.



Tuwhakairiora Williams

**Chairman – Te Pūtahi Paoho**

Date: 16 June 2010



Hon Dr Pita Sharples

**Minister of Māori Affairs**

Date: 23 June 2010



Hon Bill English

**Minister of Finance**

Date: 21 June 2010

Presented to the House of Representatives pursuant to section 31(6) of the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003.

## Chairman's Overview

---

In accordance with section 26(1)(a) of the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003 I am pleased to present the Statement of Intent 2010-2013 for Māori Television.

The Statement of Intent sets out the broad strategies and outcomes that Māori Television will pursue, as agreed between the Crown's joint reporting ministers, the Minister of Māori Affairs and the Minister of Finance, Te Pūtahi Paoho (Māori Television Electoral College), and Māori Television.

Māori Television has now been broadcasting for six years. Pleasing progress has been made, broadcast, production and support operations have been consolidated, and as an organisation we continue to develop our potential. Our commitment to making a significant contribution to te reo Māori being increasingly valued, embraced and spoken continues.

### 2010-2013

---

The next three years present a range of challenges and opportunities for Māori Television.

#### Environment

The environment in which we operate is ever changing. The dynamics of continuing tough economic conditions, rising costs, broadcast and technological developments, fragmenting audiences, and a competitive industry confront us daily, potentially impacting on the way in which we conduct our business and, most especially, upon our ability to continue to develop our channel offerings.

It is within the context of this environment that the strategy for the next three years has been developed. Given current constraints, the priority for Māori Television is to ensure the achievement of existing key outputs as we continue to make our contribution to the goals of the Government's Māori Language Strategy.

#### Strategy

Māori Television will continue to pursue its major outcomes, those being to:

- Significantly contribute to te reo and tikanga Māori being increasingly valued, embraced and spoken.
- Develop as an independent national Māori television broadcaster that is successful with an assured future.

Intermediate outcomes have been reviewed, alongside a review of progress achieved to date. As a result, three intermediate outcomes have been identified as areas of priority and focus for the period ahead:

- Māori language revitalisation objectives are achieved.  
Māori Television has finalised its own Māori Language Plan, the goals of which span a period of five years. This plan has been developed to ensure alignment with the Government's wider Māori Language Strategy, achieve language quality standards and quantity objectives, and to promote a Māori language-centric internal culture that supports Māori language being valued, embraced and spoken.
- Audience engagement and growth is maximised.  
Consolidation of business operations has now enabled Māori Television to turn its full attention to audience,

specifically to increasing the quality of our programmes and to generating stronger awareness of those programmes and what we have to offer the public.

- The business model is further developed and enhanced.

The Government has signaled its continued support of Māori Television as an important contributor to achievement of the objectives of the Government's Māori Language Strategy, but that in this current economic climate it is unlikely that any additional Crown funding will be available for the immediate future. Increasing financial pressures brought about by the economic conditions, static funding, decreasing revenue, and increasing costs and inflation dictate that we must explore all opportunities to support our financial position.

## Value for Money

Māori Television provides a strong return on investment by achieving the following results:

### Financial

	Cost	Source
– <b>Cost of Programme Production:</b> Māori Television's average cost to produce an hour of programming is significantly more cost effective than industry standards and benchmarks:		
Māori Television in-house	\$17,000/hour	Māori Television budgets
Independent Production Industry (for Māori Television)	\$44,000/hour	TMP 2009 Annual Report
Independent Production Industry (general)	\$91,000/hour	NZ On Air 2009 Annual Report
International Public Television Broadcasters	\$46,000/hour	International Public Broadcasters Survey 2007
– <b>Cost of Broadcasting:</b> Average cost to broadcast an hour of original programming, excluding programme production and transmission costs:		
Māori Television	\$5,000/hour	International Public Broadcasters Survey 2007
International Public Television	\$19,000/hour	International Public Broadcasters Survey 2007
– <b>Cost per viewer:</b>		
Total Direct Government funding	\$33.381 million	
Total Indirect Government funding	\$20 million	
Total Government funding (direct and indirect)	\$53.381 million	
Annual cost per viewer (based on reach of 1.6 million viewers per month)	\$33 per annum	

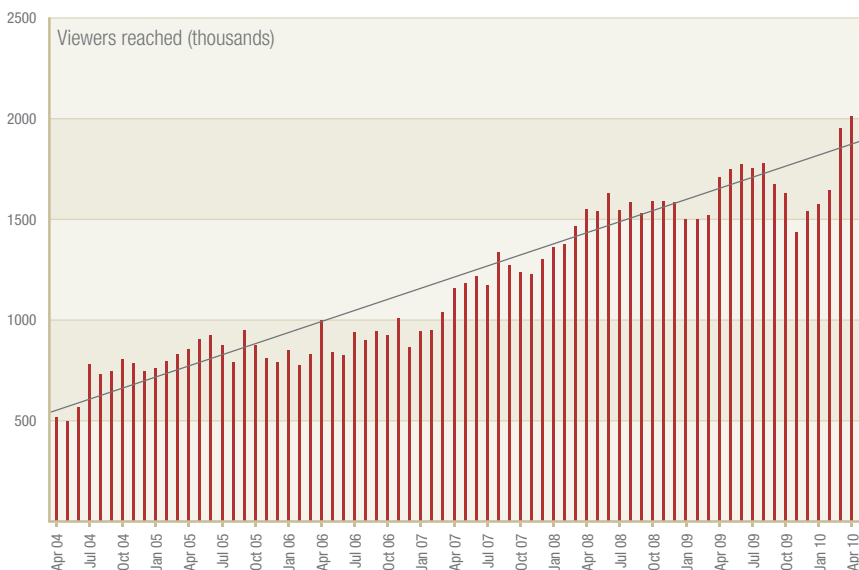
The figure of \$33 per viewer per annum illustrates the cost effectiveness of Māori Television.

### Viewership

Since launching in 2004 Māori Television has steadily grown its audience. In its first month on air Māori Television reached 518,000 New Zealanders and this has increased to an average monthly audience reach of 1.6 million viewers (FY2008-2009).

Of the total audience, Māori Television is reaching an average monthly audience of 390,000 Māori.

### Māori Television Monthly Cumulative Audience



### Impact

#### Source

60 percent of Māori and 23 percent of all New Zealanders believe that their understanding of Māori has improved through watching Māori Television.	Māori Television Tracking Research 2009
47 percent of Māori who believe viewing has improved their understanding, say that they use more Māori words, speak Māori more often or their fluency has improved.	Māori Television Tracking Research 2009
58 percent of Māori, 20 percent of non-Māori, and 25 percent of all New Zealanders say that Māori Television has made them more interested in learning te reo Māori.	Māori Television Tracking Research 2009
66 percent of Māori agree that Māori Television gives them a strong sense of connection to Māori people, lifestyles, language and culture.	Māori Television Tracking Research 2009

## Contribution

	Source
76 percent of Māori and 49 percent of New Zealanders believe that Māori Television makes a valuable contribution to New Zealand's sense of nationhood.	Māori Television Tracking Research 2009

## Language Revitalisation Outputs

- 60 percent reo Māori across the Māori Television schedule and 51 percent during prime time.
- Approximately 100 percent reo Māori across the Te Reo schedule.
- 70 percent reo Māori combined on Māori Television and Te Reo during prime time.

## Broadcast Outputs

- More than 4,000 hours of programming is broadcast per year.
- 80 percent of programmes are locally produced.

Māori Television's Outcomes Framework and Key Performance Indicators can be found on page 18.

We expect that the continued implementation of our strategy in a cost effective and efficient manner will see the achievement of the intermediate outcomes and, ultimately, major outcomes.

## Funding

As can be seen from the projected financial results, Māori Television is expecting to achieve break-even results for the next three years.

Since commencing operations Māori Television has maintained very tight control over its cost structure to ensure that what we do is sustainable for a number of years into the future. This has put us in a sound position as we now go into a period of expected static Government funding. We do not envisage the need for any major cost cutting or service reduction in the next financial year as we continue to apply prudent financial management.

However, this will become progressively more difficult in each future year and, therefore, there is a need to look to non-Government income opportunities. Advertising revenue is showing signs of recovery from the financial downturn of 2008-2009. Although this provides less than three percent of total income at present, advertising revenue levels are expected to revert back to pre-2009 levels by the 2012-2013 year.

We are also open to exploring other commercial opportunities. This can present some challenges in balancing the financial benefits against cultural objectives and legislative obligations, however this does potentially provide additional sources of non-Government revenue to help absorb the expected unavoidable cost increases.

## Act Review

The review of the legislation that determines Māori Television's purpose is close to completion. We remain attentive to key issues arising from this review, particularly with respect to spectrum and management rights

matters. It is the Board's view that should there be significant changes to current arrangements this could impact upon the future viability of Māori Television and its ability to discharge its obligations under the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003 (the Act).

This issue is listed as a key strategic priority (page 17) and we look forward to its finalisation in the year ahead.

## Conclusion

---

The revitalisation of Māori language and culture remains at the forefront of the goals and objectives of Māori Television. Achieving this is contingent upon a strong, effective, efficient business operation. The Board and management team of Māori Television remain strongly committed to our collective responsibility to ensure this organisation is well positioned to make a valuable contribution to achievement of our overriding language objective.



Garry Muriwai

**Chairman**



# PART ONE PURPOSE AND SCOPE

## 1.0 Purpose and Scope

Māori Television develops a Statement of Intent (SOI) each year to provide Parliament, Māori and the public with information about the outcomes we intend to pursue over the next three years.

### 1.1 About Māori Television

Māori Television is a statutory corporation and was formally established by the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003. The Act can be accessed at our website [www.maoritelevision.com](http://www.maoritelevision.com).

#### **Purpose**

The principal function of Māori Television is to promote te reo and tikanga Māori through the provision of a high quality, cost effective Māori television service, in both Māori and English, that informs, educates and entertains a broad viewing audience and, in doing so, enriches New Zealand's society, culture and heritage.

As well as emphasising our primary function of promoting te reo and tikanga Māori, the Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003 also requires that we:

- Broadcast mainly in te reo Māori during prime time and a substantial proportion at other times.
- Have regard in our programming to the needs and preferences of children participating in te reo Māori immersion education and all people learning te reo Māori.
- Provide broadcast services that are technically available throughout New Zealand and practically accessible to as many people as is reasonably possible.
- Foster and develop the broadcasting capacity of Māori Television through appropriate training and education.

#### **A Māori language broadcaster for all New Zealanders**

The Māori Television channel was launched on 28 March 2004 and broadcasts programmes in both the Māori and English languages. As a bilingual channel Māori Television has been established to deliver Māori language and culture into the homes of all New Zealanders. It is targeted at Māori language speakers of all fluency levels to encourage as many people as possible to value the language as a taonga and increase their own language fluency.

The Te Reo channel was launched by Māori Television on 28 March 2008. It has been established expressly for those with higher levels of Māori language fluency, including advanced learners of the language, whose needs include access to 100 percent Māori language television. Te Reo offers advanced level speakers the opportunity for uninterrupted viewing of programmes during prime time in the Māori language only and without subtitles.

This two-channel strategy ensures that Māori Television is delivering to the needs of all New Zealanders, including non-speakers who are interested in connecting with te ao Māori, beginner and intermediate level speakers, and fluent speakers.

The website, [www.maoritelevision.com](http://www.maoritelevision.com), was redesigned and relaunched on 28 March 2009. Māori Television has recognised the strategic importance of the internet as a key platform for the future of broadcasting. This website, which provides up to 300 hours of on-demand viewing, provides multiple opportunities to view our programmes while delivering Māori language and culture to the world. It is a dual language website and provides New Zealand and global audiences with access to programmes made for both the Māori Television and Te Reo channels.

### Reporting Stakeholders

Māori Television has two distinct reporting stakeholders who exercise both independent and joint powers. The Government is one stakeholder and these interests are represented by the Minister of Māori Affairs and the Minister of Finance.

Māori are the second stakeholder and these interests are represented by Te Pūhāhi Paoho (Māori Television Service Electoral College), an entity which was established by the Māori Television Service (Te Aratuku Whakaata Iirangi Māori) Act 2003 to provide partnership with the Ministers. A list of organisations represented on Te Pūhāhi Paoho can be found at our website [www.maoritelevision.com](http://www.maoritelevision.com).

### Funding

Both the Māori Television channel and Te Reo channel are funded by Government in acknowledgement of the Government's commitment to promoting and protecting te reo and tikanga Māori.

The Government's Māori broadcasting funding agency, Te Māngai Pāho, is the major provider of funding for programmes produced for Māori Television. Te Māngai Pāho provides direct funding for internally produced programmes and indirect funding for commissioned programmes.

Māori Television also receives both direct and indirect funding, on a contestable basis, from New Zealand On Air. New Zealand On Air's Māori Programming Strategy provides funding for Māori programmes which are targeted to the general audience and are predominantly in English.

## 1.2 Contribution to Māori Language Strategy

---

Māori Television is committed to ensuring that both channels contribute to the achievement of the Māori Language Strategy. Māori Television has developed its strategic plan to support the Māori Language Strategy, fulfil its statutory responsibilities, and achieve its business objectives. The establishment and ongoing development of Te Reo channel is a key strategic initiative that adds further support to achieving the goals of the Māori Language Strategy.

Māori Television is guided by the vision of the Māori Language Strategy which targets 2028 for te reo Māori to be widely spoken by Māori, that it will be in common use among whānau, and that all New Zealanders will appreciate the value of the Māori language to New Zealand society.

Both channels support the goals of the Māori Language Strategy by:

- i) Broadcasting te reo Māori throughout its schedules (Goal 2 of the Māori Language Strategy).
- ii) Broadcasting levels of te reo Māori suitable for a wide audience, including tamariki, rangatahi, pākeke and kaumātua (Goal 2).
- iii) Broadcasting language learning programmes (Goal 3).
- iv) Broadcasting via free-to-air UHF to 90 percent of the population, and via the free-to-air Freeview satellite and terrestrial platforms (Goal 5).
- v) Ensuring that programming broadcast on the Māori Television channel is inclusive and accessible to all New Zealanders (Goal 5).
- vi) Achieving an average monthly cumulative audience target of 1.6 million individuals per month watching Māori Television during the 2010-2011 financial year (Goal 5).

Māori Television is working in partnership with Te Puni Kōkiri, Te Taura Whiri i Te Reo Māori and Te Māngai Pāho to ensure the goals of the Māori Language Strategy are met.

The Government's Māori Language Strategy can be found at <http://www.tpk.govt.nz/en/in-focus/te-reo/>.

### 1.3 Māori Broadcasting and e-Media Outcomes Framework

---

Māori Television supports the principles of the Māori Broadcasting and e-Media Outcomes Framework. Māori Television is committed to working with key stakeholders to ensure Māori language and culture are well positioned for best advantage in the digital age. In this way, Māori Television will further support the goals of the Government's Māori Language Strategy.

### 1.4 Governance and Management

---

Māori Television has a board of seven directors who are responsible for the governance of the organisation. It also has a Chief Executive who reports to the board and is responsible for implementing board decisions and for Māori Television's operations.

Māori Television's organisational structure delivers to the requirements of both channels. The organisation comprises the following departments:

#### Reo and Tikanga

The Reo and Tikanga department is responsible for the organisation's reo Māori strategy and tikanga advice and guidance.

### **Programming**

The Programming department is responsible for Māori Television's Programming strategy, including Te Reo channel. This department drives the schedule structure, programme production, commissioning and acquisition, and on-air promotions.

### **News and Current Affairs**

The News and Current Affairs department provides daily news, weekly current affairs and a weekly half-hour of kaumātua discussion on current issues. This department is also responsible for production of a weekly international indigenous current affairs programme as well as Māori Television's election coverage programming.

### **Operations**

The Operations Department is responsible for the day-to-day running of the Māori Television facility, including maintaining broadcasting equipment, transmission of both channels, information technology, presentation and programme receipt and storage.

### **Sales, Marketing and Communications**

The Sales, Marketing and Communications department is responsible for the development of Māori Television's commercial capability, brand and programme marketing and corporate communications.

### **Finance and Administration**

The Finance and Administration department covers all aspects of financial and contractual management, and general administrative support for Māori Television.

### **Pūmanawa Tāngata**

Pūmanawa Tāngata (HR) is responsible for providing administrative support and general human relations' guidance and advice.

### **Kaunihera Kaumātua**

A council of elders representing iwi provides advice to the organisation on matters of tikanga, kaupapa and kawa. This is an independent council which sits outside the formal organisational structure. The council represents Māori Television's commitment to supporting the principles and practices of tikanga and kaupapa Māori.

## 2.0 Operating Environment

---

The operating environment of Māori Television is shaped by a number of factors in the state sector, the broadcasting industry, the Māori language sector and society, and a wide range of internal commitments. These factors will continue to have a direct effect on the priorities and performance of Māori Television. They also directly influence the outcomes that we will continue to pursue.

### 2.1 Forces and Trends

---

External forces and trends affecting Māori Television include:

#### Māori

- Increasing numbers of people fluent in te reo Māori.
- Positive attitudes among Māori towards revitalisation of te reo Māori.
- An increasing Māori population and the percentage of New Zealanders who identify themselves as Māori.
- An increase in the diversity of the Māori population and a predominantly young Māori population.
- Māori growth as significant contributors to the New Zealand economy.
- Improving levels of educational participation and high achievement by Māori.

#### Industry

- Fragmenting audiences within a highly competitive television market.
- Digital television technology developments and the transition from analogue to digital.
- The development of the internet as a standard broadcasting platform to deliver on-demand and live viewing.
- Rapidly-changing television studio and broadcasting technology.
- The Māori television production community continuing to grow its capacity, expertise and viability.

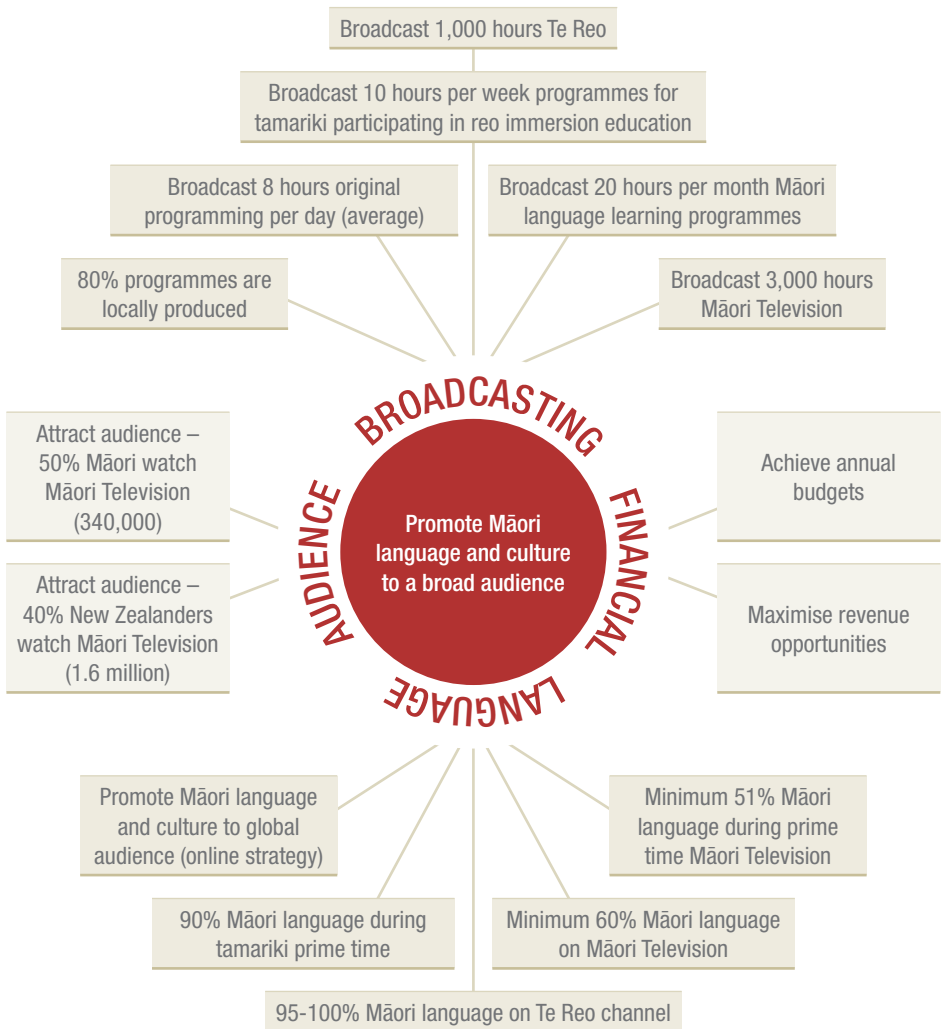
#### State Sector

- Māori Language Strategy.
- Māori Broadcasting and e-Media Framework.
- Māori Potential framework focused on 'Māori Succeeding as Māori'.
- Broad acceptance that te reo and tikanga Māori are integral to New Zealand's national heritage and identity.

#### Economy

- The continuing economic downturn and resulting impact on revenues.
- Funding levels to enable Māori Television to maintain pace with technological, digital and viewer preference developments, and inflation.

As an indigenous broadcaster Māori Television is required to deliver to a range of legislative, Māori language, broadcast, audience, and financial obligations and commitments. These factors create a challenging internal environment with an array of deliverables and priorities to balance. The following graphic provides an illustration of these internal forces:



## 3.0 Strategy 2010-2013

---

The 2009-2010 year represented the sixth year of broadcasting for Māori Television. The priority for those six years has been the establishment of Māori Television and its operations to ensure a stable base for long-term success.

In 2008 Māori Television signaled that it would enter a consolidation phase following four years of rapid progress and growth. This commitment to consolidation has resulted in Māori Television now being strongly underpinned by sound, robust operational systems and procedures. The capability of staff across the organisation has grown, ensuring that we are better able to efficiently and effectively implement broadcast, production, IT and support operations.

The achievement of this consolidation strategy has led to the review of the Māori Television business strategy. As a comparatively young organisation in the industry we are now in a position to fully focus on developing the other important areas of our business, including Māori language standards, audience growth, and ongoing business success.

The following strategy outlines the approach that Māori Television will take to continue the organisation's development as a world class indigenous broadcaster.

### 3.1 Mission Statement

---

Kia toitū motuhake a Whakaata Māori hei pourewa pāpāho i ngā kaupapa, whakaaturanga hei whakaaraara i ngā tikanga, hei whakaora hoki i te reo Māori.

Māori Television's mission is to make a significant contribution to the revitalisation of tikanga Māori and reo Māori by being an independent, secure and successful Māori television broadcaster.

### 3.2 Major Outcomes

---

Māori Television has determined that it will achieve this mission statement by continuing to implement initiatives to achieve the major outcomes, as specified in its Statement of Intent 2009-2010, which remain current and relevant. Those major outcomes are to:

- Significantly contribute to te reo and tikanga Māori being increasingly valued, embraced and spoken.
- Develop as an independent national Māori television broadcaster that is successful with an assured future.

Each of these objectives is interconnected by the following central element that is recognised by Māori Television as representative of the core value of the channel:

- Support the principles and practices of tikanga and kaupapa Māori.

### 3.3 Intermediate Outcomes

---

The major outcomes will be achieved through the implementation of the following intermediate outcomes:

#### Intermediate Outcome One

Māori language revitalisation objectives are achieved.

Māori Television exists to make a significant contribution to te reo Māori being increasingly valued, embraced and spoken. This long-term strategic objective reflects the focus of Māori Television as a television service provider that can deliver Māori language programming into virtually every New Zealand household. Accordingly, a formal strategy is seen as crucial to effectively fulfilling the underlying Māori language objectives of Māori Television.

The Māori Television Māori Language Plan has been developed in consultation with our Kaunihera Kaumātua, Te Pūtahi Paoho, Te Puni Kōkiri, Te Māngai Pāho, Ngā Aho Whakaari, Māori linguists and language planning experts. The strategy aims to:

- Identify how alignment can be achieved with the Government's Māori Language Strategy.
- Develop a programming policy to ensure that all Māori language-related statutory and accountability targets are met. This includes language quality and quantity considerations.
- Ensure the development of an internal Māori Television culture that supports te reo Māori being increasingly valued, embraced and spoken.
- Identify key performance indicators relating to both strategic and operational Māori language-related targets.

**Action:** Implement the Māori Television Māori Language Plan.

### **Intermediate Outcome Two**

Audience engagement and growth is maximised.

The development of a consistent and engaged audience is a key strategic priority for Māori Television. The exposure of quality, targeted programmes to as wide an audience as possible will ensure we successfully contribute to the revitalisation of Māori language and culture. Now that a solid foundation has been set, audience growth and engagement will be a priority for the period ahead.

Research, marketing and programming are the three operational areas that will deliver audience engagement and growth.

#### **Research**

Existing and potential audiences of Māori Television have been identified and segmented into target groups based on ethnicity, language fluency levels and viewing frequency. This segmentation has defined which sectors of the population present strongest opportunities for acquisition.

The recent appointment of a research executive will provide programmers and marketers with detailed analysis of audience behaviour, preferences and needs. This new and important resource capability will enable a deeper understanding of audience viewing patterns and trends, scheduling, commissioning, and programme acquisition considerations, and marketing communication opportunities.

**Action:** Further develop Māori Television's research resource and capability as a key tool to provide insight into audience acquisition.

#### **Programming**

Every year, as we gain more knowledge about our current and potential audiences, we continue to develop the



programming schedules of both Māori Television and Te Reo.

The development of schedules is led by our requirement to achieve Māori language content levels, meet legislative obligations, and deliver language and culture in an entertaining way that will attract and engage audiences. This is a set of challenges that requires a high level of planning, creativity, and programme production skill.

Major television events, such as the Rugby World Cup 2011, provide Māori Television with a unique and powerful opportunity to attract new audiences. This event, along with our annual coverage of ANZAC Day, will play an important role in achieving the audience growth we are seeking. Intensive planning and preparation will be undertaken during the 2010-2011 year to ensure the delivery of an exceptional Rugby World Cup 2011 broadcast experience on both the Māori Television and Te Reo channels.

Strategies to engage and grow the audience include:

— Māori Television

**Action:** Maintain and promote an inclusive approach to further develop the broad audience.

**Action:** Commission, produce and acquire unique and entertaining programmes that meet the needs of target audiences.

**Action:** Optimise placement of programmes within the schedules to draw audience.

**Action:** Foster and develop production community capabilities in order to produce high quality programmes that audiences watch more often and for longer.

— Te Reo

**Action:** Enhance the organisation's commitment to Māori language revitalisation and normalisation.

**Action:** Broadcast a programming schedule specifically targeted at the needs of fluent speakers and language learners.

**Action:** Broadcast high standards of te reo Māori in a range of dialects.

## Marketing

Marketing and promotions are a key factor in developing audience awareness. The marketing opportunity lies in its ability to promote channel brands in a way that will entice first-time viewers and remind regular viewers of what is on offer.

Our goal is that our channels are included in the regular consideration set of our audiences so that viewers return time and time again to watch. This requires the commitment of an audience focused organisation and quality programmes, together with a marketing strategy that can effectively impact upon public perceptions, knowledge and attitudes.

Strategies to grow the audience are:

**Action:** Build strong, aspirational brand associations with our channels.

**Action:** Promote the public value of our channels.

**Action:** Increase our share of voice in the market place.

**Action:** Differentiate our channels from other broadcasters.

### **Intermediate Outcome Three**

The business model is further developed and enhanced.

As a financially prudent and efficiency-focused organisation we are continually looking at ways to improve and enhance business operations.

#### **A Successful Organisation**

The development of beneficial strategic alliances and relationships will provide greater security for our organisation. We will continue to build relationships with important groups, such as tribal, non-commercial and commercial Māori organisations, industry and business groups, and the international community. We will seek to leverage, through these relationships, greater understanding of the goals and achievements of Māori Television and a range of mutually beneficial cultural, programming and commercial opportunities.

At the global level, we will continue our strong support for the World Indigenous Television Broadcasters Network, having now completed our two-year foundation chairmanship and handed responsibility for the leadership mantle to Taiwan's national indigenous broadcaster.

**Action:** Build and strengthen alliances with Māori, industry, and business groups, and international stakeholders.

#### **Maximising Commercial Potential**

The difficult economic conditions have impacted on advertising revenues. Without this income Māori Television is challenged to find cost savings in order to cover day-to-day operational commitments. We will continue to look for opportunities to maximise commercial revenues, and this will be undertaken in such a way that it will not be at the expense of cultural values or legislative commitments.

**Action:** Explore all options to maximise commercial potential.

#### **Improved Efficiency**

We will undertake an extensive review of established operational processes and procedures to find further cost efficiencies. Pressure on internal budgets requires that we conduct regular reviews of costs so that we can continue to develop and evolve our channels and grow audiences.

**Action:** Review established operational processes and procedures.

## **3.4 Key Outputs**

---

Māori language content and broadcast hours are key outputs for Māori Television. The following minimum language and broadcast targets have been identified for delivery in each of the next three years:

### **Māori Language**

- During prime time (refer 3.6) the Māori Television channel will broadcast a minimum of 51 percent Māori language programming.

- The Māori Television channel will broadcast a minimum of 60 percent Māori language across the entire schedule.
- The Te Reo channel will endeavour to broadcast 100 percent Māori language across its entire schedule.
- The combined Māori language content during prime time for both channels will be 70 percent.

Note: The above figures are the levels of spoken reo Māori content as a percentage of all spoken content in a given programme or for a given period.

#### **Broadcast Hours**

- Māori Television will achieve a minimum of 3,000 hours of broadcast for the 2010-2011 financial year.
- Te Reo will achieve a minimum of 1,000 hours of broadcast for the 2010-2011 financial year.
- Both channels will achieve a minimum of 4,000 broadcast hours.

### **3.5 Key Strategic Initiatives 2010-2011**

---

To support the achievement of the major and intermediate outcomes, Māori Television has identified the following key strategic initiatives for the period ahead:

#### **Māori Television Māori Language Plan**

Implementation of Māori Television's Māori Language Plan will result in improved reo Māori standards on-air and within the workplace.

#### **Māori Television Service (Te Aratuku Whakaata Irirangi Māori) Act 2003 Review**

The review of the Act is expected to be finalised during 2010-2011.

#### **UHF Management Right**

Key issues pertaining to spectrum and management rights remain an important priority for clarification and resolution.

#### **Future Development**

The continuing difficult economic climate, together with increasing operational and inflationary costs, continues to create challenging financial conditions for Māori Television. The strategic focus on business enhancement is designed to develop options to address these issues.

#### **Measuring Performance**

Māori Television is working with Te Puni Kōkiri, Te Taura Whiri i Te Reo Māori and Te Māngai Pāho to develop a survey to measure the impact of the agencies' language strategies on the revitalisation of te reo Māori. This project is led by Te Puni Kōkiri. A decision is yet to be made as to whether this survey will be conducted annually.

### **3.6 Prime Time**

---

Māori Television's prime time hours for the general audience (i.e. Māori and non-Māori) align with the industry prime time hours of 6.00pm to 10.30pm daily.

### 3.7 Target Audience

Māori Television is one of a number of Government initiatives developed to revitalise and promote te reo Māori. We acknowledge the central role that Māori play in leading the revitalisation of the language, along with the need to encourage all New Zealanders to embrace te reo Māori as a taonga.

Māori Television is targeting:

#### Core Māori

Fluent Māori, particularly whānau in their central role as transmitters of te reo Māori to new generations. By broadcasting directly into whānau settings, Māori Television can position te reo as a normal part of everyday life and can provide educational and entertainment opportunities for the delivery and acquisition of the language.

#### Māori Language Learners

Through the use of learning devices and bilingual programming Māori Television can support language learners seeking higher levels of fluency.

#### Non-fluent New Zealanders

Māori and non-Māori New Zealanders with an interest in te ao Māori (the Māori world). Through our strategy to be an inclusive broadcaster and by broadening our viewer base, Māori Television can play a key role in strengthening recognition of the status of Māori language and culture.

## 4.0 Outcomes Framework and Key Performance Indicators

### Government's Māori Language Strategy

Goals	By 2028, te reo Māori is widely spoken by Māori	By 2028, te reo Māori is in common use among whānau	By 2028, all New Zealanders appreciate the value of te reo Māori to New Zealand society
-------	---	---	---

### Māori Television Mission

To make a significant contribution to the revitalisation of te reo Māori me ona tikanga by being an independent, secure and successful Māori television broadcaster.

Major Outcomes	Significantly contribute to te reo Māori me ona tikanga being increasingly valued, embraced and spoken	Develop as an independent national Māori television broadcaster that is successful with an assured future	
Intermediate Outcomes	Māori language revitalisation objectives are achieved	Audience engagement and growth is maximised	Business model is further developed and enhanced

## Outcome 1: Māori Language Revitalisation Objectives are Achieved

### Key Performance Indicators

Mechanism	Deliverable	Target FY2013	Measurement
Māori language content	<b>Māori Television Channel:</b>		
	Minimum percentage of Māori language during prime time	51%	Māori Television Schedule
	Minimum percentage of Māori language across schedule	60%	Māori Television Schedule
	<b>Te Reo Channel:</b>		
	Māori language across schedule	95-100% <sup>1</sup>	Māori Television Schedule
	Combined minimum percentage of Māori language during prime time for Māori Television and Te Reo	70%	Māori Television Schedule
Māori language quality	<b>Language Learning Programming:</b>		
	Programmes broadcast for all people learning Māori language	20 hours per month (average)	Māori Television Schedule
	<b>Tamariki Programming:</b>		
	Programmes for tamariki participating in Māori language immersion education	10 hours per week (average)	Māori Television Schedule
Impact <sup>3</sup>	Understanding of Māori language is improved by watching Māori Television	To be reported in Annual Report	Māori Television Tracking Research
	Interest in learning Māori language is increased by watching Māori Television	To be reported in Annual Report	Māori Television Tracking Research
	Māori Television provides a strong sense of connection to Māori people, lifestyles, language and culture	To be reported in Annual Report	Māori Television Tracking Research

1 Some programmes will contain English words and phrases.

2 Rating band is: 1 – Very Poor; 2 – Poor; 3 – Good; 4 – Very Good; 5 – Excellent.

3 Based on two-yearly surveys conducted by Māori Television.

## Outcome 2: Audience Engagement And Growth Is Maximised

### Key Performance Indicators

Mechanism	Deliverable	Target FY2013	Measurement
Viewership	Number of Māori 5+ reached (on average per month)	50% Māori 5+	Nielsen Media Research
	Number of New Zealanders 5+ reached (on average per month)	40% All People 5+	Nielsen Media Research
Engagement	Daily Time Spent Viewing (on average per month)	17 minutes per day	Nielsen Media Research
Contribution <sup>4</sup>	Māori Television makes a valuable contribution to New Zealand's sense of nationhood	To be reported in Annual Report	Māori Television Tracking Research
Broadcast Hours	Māori Television – minimum hours of broadcast FY2010-2011	3,000 hours	Māori Television Schedule
	Te Reo – minimum hours of broadcast FY2010-2011	1,000 hours	Māori Television Schedule
	Minimum hours of broadcast combined across both channels FY2010-2011	4,000 hours	Māori Television Schedule
	Majority of programmes broadcast on Māori Television are locally produced	80%	Māori Television Schedule
Transmission	Provide broadcast services to as many people as practicable	<p><b>Māori Television:</b></p> <p>100% of NZ via Freeview satellite and Sky satellite</p> <p>90% of population via analogue terrestrial</p> <p>75% of population via Freeview digital terrestrial</p> <p><b>Te Reo:</b></p> <p>100% of NZ via Freeview satellite and Sky satellite</p>	Kordia Johnston Dick & Associates

4 Based on two-yearly surveys conducted by Māori Television

### Outcome 3: Business Model is Developed and Enhanced

#### Key Performance Indicators

Mechanism	Deliverable	Target FY2013	Measurement
Efficiency	<b>Cost effective and efficient operations:</b>		
	Average cost of programme production (per programme hour)	To be reported in Annual Report	Comparison against local production industry average costs
	Average cost of broadcasting (per programme hour)	To be reported in Annual Report	Comparison against local production industry average costs
	Cost per viewer	To be reported in Annual Report	Annual cost to taxpayer per viewer reached
Financial	Financial targets are achieved.	Forecasted Budget	Māori Television Statement of Financial Performance

# PART TWO FORECAST FINANCIAL STATEMENTS

## 5.0 Statement of Forecast Service Performance

### 5.1 Non-Departmental Output Class

Māori Television receives operational funding from Vote: Māori Affairs. The description of the output class through which Māori Television receives operational funding is as follows:

The Minister of Māori Affairs will purchase this class of outputs from Māori Television to:

- Enable Māori Television to meet its statutory functions, including the promotion of te reo me ona tikanga Māori through the provision of a high quality, cost effective Māori television service, in both Māori and English, that informs, educates and entertains a broad viewing audience and, in so doing, enriches New Zealand's society, culture and heritage;
- Pursue the outcomes in its 2010-2013 Statement of Intent;
- Support the operational costs of Māori Television; and
- Purchase and produce programmes to be broadcast on Māori Television.

Performance measures for this class of outputs will be included in the following document:

- Māori Television 2010-2011 Output Plan.

Outputs will be provided within the appropriated sum of \$16.611 million (exclusive of GST) along with advertising income and other revenue.

Māori Television will deliver two outputs through this output class. A description, the cost and performance measures for each output are described below:



### Output 1 – Television Service Operations

Description	Performance Measures
To support the operational costs of Māori Television so that it can meet its statutory functions.	<b>Quantity</b> Broadcast a minimum of 4,000 hours of programming for the year. Broadcast programmes will be mainly in te reo Māori.
	<b>Quality</b> Two six monthly reviews by Te Taura Whiri i Te Reo Māori (Māori Language Commission) confirm that a selection of programmes broadcast during the general prime time meet its quality indicators framework.
Cost	\$13.174 million (excl GST)

### Output 2 – Transmission Coverage

Description	Performance Measures
Provide broadcast services that are technically available throughout New Zealand and are accessible to as many people as is reasonably and economically possible.	<b>Quantity</b> Provide free-to-air transmission to at least 90% of New Zealand's population via free-to-air terrestrial UHF and to 100% of the country via free-to-air satellite.
Cost	\$3.437 million (excl GST)

## 5.2 Funding

### a) Projected Operational Funding From Vote Māori Affairs:

	2010/2011 (\$m)	2011/2012 (\$m)	2012/2013 (\$m)
Excl GST	16.611	16.611	16.611

### b) Projected Direct Programme Funding :

	2010/2011 (\$m)	2011/2012 (\$m)	2012/2013 (\$m)
Excl GST	16.770	18.470	16.770

This is funding received primarily from Te Māngai Pāho, but also occasionally New Zealand On Air and others, to contribute to the cost of programmes produced and broadcast by Māori Television. In the 2011/2012 year this is expected to be higher due to the Rugby World Cup 2011.

### c) Projected Indirect Programme Funding:

	2010/2011 (\$m)	2011/2012 (\$m)	2012/2013 (\$m)
Excl GST	20.000	20.000	20.000

This funding is not paid to Māori Television, nor is it confirmed funding. It is an estimate of the amount of funding that Te Māngai Pāho, New Zealand On Air and others may make available and pay to independent television production companies on a contestable basis for the purpose of producing programmes for broadcast by Māori Television.

**d) Projected Other Revenue (including advertising and sponsorship):**

	2010/2011 (\$m)	2011/2012 (\$m)	2012/2013 (\$m)
Advertising Income	1.034	2.293	1.605
Interest Income	0.454	0.467	0.494
<b>Total</b>	<b>1.488</b>	<b>2.760</b>	<b>2.099</b>

In the 2011/2012 year advertising revenue is expected to be higher due to the Rugby World Cup 2011.

### 5.3 Statement of Projected Financial Position

	2010/2011 (\$m)	2011/2012 (\$m)	2012/2013 (\$m)
Public Equity			
Opening Equity	17.946	18.025	18.057
Add Surplus/Deficit	0.079	0.032	0.036
<b>Closing Equity 30 June</b>	<b>18.025</b>	<b>18.057</b>	<b>18.093</b>
Represented by:			
Current Assets			
Cash Bank & Short Term Deposits	9.389	10.033	10.127
Programme Rights	4.063	4.597	5.132
Receivables & Other Current Assets	0.380	0.485	0.428
<b>Total Current Assets</b>	<b>13.832</b>	<b>15.115</b>	<b>15.687</b>
Property Plant & Equipment (at book value)	6.690	5.435	4.916
<b>Total Assets</b>	<b>20.522</b>	<b>20.550</b>	<b>20.603</b>
Current Liabilities	2.497	2.493	2.510
Term Liabilities	0.000	0.000	0.000
<b>Net Assets Employed</b>	<b>18.025</b>	<b>18.057</b>	<b>18.093</b>

#### 5.4 Statement of Projected Comprehensive Income

	2010/2011 (\$m)	2011/2012 (\$m)	2012/2013 (\$m)
Income			
Crown Appropriation	16.611	16.611	16.611
Programme Funding	16.770	18.470	16.770
Advertising Revenue	1.034	2.293	1.605
Interest Earned	0.454	0.467	0.496
<b>Total Income</b>	<b>34.869</b>	<b>37.841</b>	<b>35.482</b>
Expenditure			
Personnel Costs	12.273	12.548	12.631
Depreciation & Amortisation Expense	1.558	1.595	1.820
Finance Costs	0.000	0.000	0.000
Programme Production and Acquisitions	13.914	15.511	13.969
Other Operating Costs	7.045	8.155	7.026
<b>Total Expenditure</b>	<b>34.790</b>	<b>37.809</b>	<b>35.446</b>
Surplus/(Deficit)	0.079	0.032	0.036
Other Comprehensive Income	0.000	0.000	0.000
<b>Total Comprehensive Income</b>	<b>0.079</b>	<b>0.032</b>	<b>0.036</b>
Surplus/(Deficit) Attributable to:			
Māori Television Service	0.079	0.032	0.036
Total Comprehensive Income Attributable to:			
Māori Television Service	0.079	0.032	0.036

## 5.5 Statement of Projected Cash Flows

	2010/2011 (\$m)	2011/2012 (\$m)	2012/2013 (\$m)
Cash Flows from Operating Activities			
Cash was provided from –			
Crown Appropriation	16.611	16.611	16.611
Other Income	1.030	2.188	1.662
Production Funding	16.120	16.120	16.120
Cash was disbursed to –			
Payments to Suppliers	(32.119)	(33.935)	(32.999)
<b>Net Cash Flows from Operating Activities</b>	<b>1.642</b>	<b>0.984</b>	<b>1.394</b>
Cash Flows from Investing Activities			
Cash was disbursed to –			
Purchase of Property, Plant & Equipment	(1.344)	(0.340)	(1.300)
<b>Net Cash Flows from Investing Activities</b>	<b>(1.344)</b>	<b>(0.340)</b>	<b>(1.300)</b>
Cash Flows from Financing Activities			
<b>Net Cash Flows from Financing Activities</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
Net Increase/(Decrease) in Cash Held	0.298	0.644	0.094
Opening Cash	9.091	9.389	10.033
<b>Closing Cash at 30 June</b>	<b>9.389</b>	<b>10.033</b>	<b>10.127</b>

## 5.6 Statement of Accounting Policies

The following accounting policies that materially affect the measurement of comprehensive income, financial position and cash flows have been applied:

### a) Reporting Entity

Māori Television is a statutory corporation established under the Māori Television Service Act 2003.

The projected financial statements are for the three years ending 30 June 2013.

### b) Measurement Base

The financial statements have been prepared on an historical cost basis except where derivative financial instruments have been measured at fair value.

### c) Property, Plant & Equipment, Depreciation and Intangibles

Property, plant and equipment are stated at historical cost less accumulated depreciation. The provision for depreciation is calculated on a straight line basis to allocate the cost of the assets by equal instalments to an estimated residual value at the end of the economic life of the asset. Important depreciation periods are:

IT equipment	3 years
Office equipment	3-10 years
Studio equipment	5 years
Studio fitout	10-80 years
Building soft fitout	5-12 years
Artworks	200 years

Intangibles are initially recorded at cost less amount amortised.

### d) Frequency Licenses and Programme Rights

#### – Frequency Licenses:

The cost of acquiring frequency licenses are amortised on a straight line basis over the period for the licenses, typically 20 years.

#### – Programme rights are valued at their net cost to Māori Television. These values less amounts amortised or written off are accounted for as programme inventory.

#### – Programme inventories are amortised on a systematic basis depending on the nature of the programme and within a period not exceeding three years.

### e) Leases

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are included in the Statement of Comprehensive Income in equal amounts over the leased term.

**f) Foreign Currencies**

Transactions denominated in a foreign currency are converted at the exchange rate ruling at the date of the transaction.

At balance date foreign currency monetary assets and liabilities are converted at closing exchange rates and exchange variations arising from these transaction items are included in the Statement of Comprehensive Income as operating items.

**g) Employee Entitlements**

Employee entitlements that Māori Television expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned, but not yet taken at balance date.

Currently there is no provision in our employment contracts for long service leave or retirement leave.

**h) Goods and Service Tax (GST)**

The financial statements are prepared on a GST exclusive basis, except where otherwise stated.

**i) Revenue**

Revenue is recognised in the Statement of Comprehensive Income when earned.

**j) Financial Instruments**

Māori Television is party to financial instrument arrangements including cash and bank, short term deposits and accounts receivable as part of its everyday operations, which are recognised in the Statement of Financial Position. Revenue and expenditure in relation to all financial instruments are recognised in the Statement of Comprehensive Income. Except for those items covered by separate accounting policy all financial instruments are shown by estimated fair value.

**k) Statement of Cash Flows**

Cash means cash balances on hand, held in bank accounts and on-demand deposits.

Operating activities include cash received from all income sources of Māori Television and records the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of fixed assets.

Financing activities are those activities relating to changes in debt structure.

**l) Commitments**

Future payments are disclosed as commitments at the point when a contractual obligation arises, to the extent they are equally unperformed obligations. Commitments relating to employment contracts are not disclosed.

**m) International Financial Reporting Standards (IFRS)**

The attached financial statements have been prepared in accordance with IFRS.



**Māori Television**

9-15 Davis Crescent  
PO Box 113017  
Newmarket Auckland 1149  
New Zealand

Tel: +64 9 539 7000

Fax: +64 9 539 7199

[www.maoritelevision.com](http://www.maoritelevision.com)